

STAND. COM. REP. NO.

429

Honolulu, Hawaii

**FEB 11** , 2025

RE: H.B. No. 981

H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which  
was referred H.B. No. 981 entitled:

"A BILL FOR AN ACT RELATING TO ATTORNEYS' FEES,"

begs leave to report as follows:

The purpose of this measure is to limit attorneys' fees in  
settlement agreements relating to, or actions brought as a result  
of, construction defects to ensure that plaintiffs can better  
afford the repair costs.

Your Committee received testimony in support of this measure  
from D.R. Horton; Hawaii Laborers and Employers Cooperation and  
Education Trust; Gentry Homes, Ltd.; Stanford Carr Development,  
LLC; Building Industry Association of Hawaii; and one individual.  
Your Committee received testimony in opposition to this measure  
from Kasdan Turner Thomson Booth, LLLC; and two individuals.

Your Committee finds that attorney's fees can cost a  
prevailing party a significant portion of the party's settlement  
amount or monetary award. In some cases, a prevailing party may  
only receive sixty to sixty-five percent of the settlement amount  
or monetary award after attorney's fees and costs are deducted.  
This is particularly concerning if the claim is based on a  
construction defect since a significant reduction in the  
settlement amount or monetary award may not leave the plaintiff



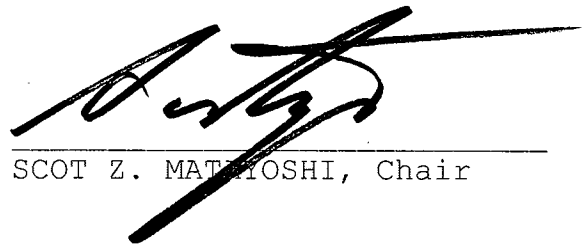
with enough money to cover the necessary repair costs. In such cases, the plaintiff may actually be in a worse position than before the suit. This measure limits the attorney's fees in cases with construction defect claims to ensure that plaintiffs receive a greater portion of their settlement amount or monetary award.

Your Committee has amended this measure by:

- (1) Specifying that attorneys are entitled to their accrued attorney's fees and costs not to exceed twenty-five percent of the recovery amount, rather than specifying that plaintiffs receive ninety percent of the repair cost;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 981, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 981, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



---

SCOT Z. MATHIOSHI, Chair



State of Hawaii  
House of Representatives  
The Thirty-third Legislature

HSR 429

Record of Votes of the Committee on Consumer Protection & Commerce

<b>Bill/Resolution No.:</b> <div style="text-align: center; font-size: 1.2em;">HB 981</div>	<b>Committee Referral:</b> <div style="text-align: center; font-size: 1.2em;">CPC, JHA</div>	<b>Date:</b> <div style="text-align: center; font-size: 1.5em;">2/5/25</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 30%;"> <input type="checkbox"/> Pass, unamended (as is)  <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)         </div> <div style="width: 40%; text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments (HD)         </div> <div style="width: 30%;"> <input type="checkbox"/> Hold         </div> </div>				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. MATAYOSHI, Scot Z. (C)	✓			
2. CHUN, Cory M. (VC)	✓			
3. ILAGAN, Greggor	✓			
4. ICHiyAMA, Linda	✓			
5. IWAMOTO, Kim Coco	✓			
6. KONG, Sam Satoru	✓			
7. LOWEN, Nicole E.	✓			
8. MARTEN, Lisa	✓			
9. TAM, Adrian K.	✓			
10. PIERICK, Elijah	✓			
TOTAL (10)	10			
<b>The recommendation is:</b> <div style="display: flex; align-items: center;"> <input checked="" type="checkbox"/> Adopted         <div style="margin-left: 20px;"> <input type="checkbox"/> Not Adopted         </div> </div>				
If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
<b>Vice Chair's or designee's signature:</b> _____ <div style="text-align: right; font-size: 1.2em;"> </div>				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				